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AZ CORP COMMISSION
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Regulatory Compliance

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April 13, 2011

Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

APR 13 2011



RE: Annual Reporting Requirements Under APS Code of Conduct
Decision No. 68741; Docket Nos. E-00000A02-0051 and E-00000A-01-0630

Dear Sir or Madam:

Pursuant to Decision No. 68741 (June 5, 2006), Part II, Section VIII of the APS Code of Conduct, attached is Arizona Public Service Company's ("APS") Annual Report for the time period of January 1, 2010, through December 31, 2010.

If you should have any questions regarding the information contained herein, please contact me at (602)250-2310.

Sincerely,

Jana Van Ness

JVN/kp

Attachment

cc: Brian Bozzo, Compliance and Enforcement

ARIZONA PUBLIC SERVICE COMPANY
DECISION NO. 68741
ANNUAL REPORT FOR THE PERIOD OF
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Reporting Requirements under Part II, Section VIII of Arizona Public Service Company's ("APS") Code of Conduct filed June 5, 2006.

APS shall submit the following information to the Commission on an annual basis each April 15th, which shall be available to the public:

- A. *A list of all Extraordinary Circumstances that explains the nature, cause, and duration of each incident.*

APS did not experience any Extraordinary Circumstances that required APS to act in a manner contrary to the Code of Conduct.

- B. *A report summarizing the charges associated with all non-tariffed transactions between APS and its Competitive Electric Affiliates, with the associated charges reported separately for each Competitive Electric Affiliate and for each category of service.*

Attached is the summary for non-tariff transactions between APS and APS Energy Services. (Attachments 1)

- C. *A report detailing (i) how many non-Standard Offer Service customers were provided metering services or meter reading services and (ii) how many Electric Service Providers received consolidated billing services from APS.*

(i) APS did not provide any non-Standard Offer Service customers metering or meter reading services for the reporting period of January 1, 2010 through December 31, 2010.

(ii) APS did not provide any consolidated billing services to any electric service provider for the reporting period of January 1, 2010 through December 31, 2010.

- D. *A report identifying all transfers between APS and its Competitive Electric Affiliates of employees at the manager level or above. In addition, this report shall identify all transfers between APS and its Competitive Electric Affiliates of all trading desk employees.*

There was one transfer of employees, at the manager level or above, between APS and its Competitive Electric Affiliates, during 2010. (See attachment 2)

There were no transfers of a trading desk employee during 2010.

- E. *An attestation, signed by the chief executive officer or an executive vice president of APS, that APS has complied with the Code of Conduct.*

A copy of the signed attestation by Donald G. Robinson, President and Chief Operating Officer. (See Attachment 3)

**Arizona Public Service Company ("APS") and Pinnacle West Capital Corporation ("PWCC")
Non-Tariffed Affiliate Charges - Year Ending 2010**

Charges to APSES by APS

Category of Service	FN	Amount
Energy usage by APSES energy management customers for which APSES is acting as billing agent		\$ 9,207,216
Shared Services	(a)(b)	1,830,138
Employee payroll deductions		37,721

Charges to APS by APSES

Category of Service	FN	Amount
Return of APSES prepayment for employee benefits		\$ 232,868

(a) APS Shared Services include tax services, accounting and finance, corporate communications, real estate management, environmental services, human resources, transportation, information technology and regulatory.

(b) \$2,758 of Shared Services are below the line dollars

APS Code of Conduct

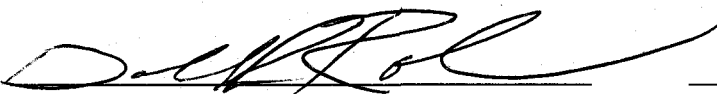
Affiliate Transfers - Management Level & Above - 2010

Transfer to:			Transfer From:		
Employee Name	Company	Position	Department Name	Company	Position
Jihad A. Zaghloul	APS	Engineer Sr	Technical Account Management	APS ES	Manager Energy Market
					Energy Services Administration
					Effective Date 04/23/10

ARIZONA PUBLIC SERVICE COMPANY
CODE OF CONDUCT
ATTESTATION STATEMENT

Pursuant to Arizona Public Service Company's ("APS") Code of Conduct [Part Two – Basic Principles Section VIII – Reporting Requirement], the undersigned President and Chief Operating Officer - APS submits this attestation for the period of January 1, 2010 through December 31, 2010.

I, Donald G. Robinson, President and Chief Operating Officer – APS, based on due inquiry and the personal attestations of personnel responsible for Code of Conduct administration; attest that to the best of my knowledge, information, and belief, APS has complied with the Arizona Corporation Commission Code of Conduct effective on June 5, 2006.



Donald G. Robinson
President and Chief Operating Officer - APS

4/12/11

Date